STATE OF IOWA

DEPARTMENT OF COMMERCE

UTILITIES BOARD

IN RE:

INTERSTATE POWER AND LIGHT COMPANY

DOCKET NO. WRU-04-25-150

ORDER GRANTING TEMORARY WAIVER

(Issued June 30, 2004)

On June 18, 2004, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a request for an additional temporary waiver of certain sections of 199 IAC 20.18(5)"a." This rule, which is part of the new electric reliability rules effective on December 18, 2002, contains the record-keeping requirements for electric utilities with over 50,000 lowa retail customers. No objections to the request were filed.

IPL was previously granted a waiver of the record-keeping requirements until July 1, 2003. Interstate Power and Light Company, "Order Granting Temporary Waiver," Docket No. WRU-02-45-150 (1/6/03). This was subsequently extended until July 1, 2004, with the requirement that IPL file progress reports on a quarterly basis. Interstate Power and Light Company, "Order Granting Temporary Waiver and Requiring Quarterly Reports," Docket No. WRU-03-33-150 (7/14/03).

In support of its request for an additional three-month waiver until October 1, 2004, IPL states it does not currently have all the outage management systems

(OMS) in place to fully comply with paragraph 20.18(5)"a." IPL further states that since the filing of its last quarterly report in March 2004, IPL's software vendor started experiencing financial difficulties and was acquired by another vendor in May. Subsequent to the acquisition, a new software patch failed to work as expected, delaying final testing of the software. While IPL hopes to have the software project completed by the end of June, software issues may extend the deadline for several weeks.

Specifically, IPL is not able to fully comply with subparagraphs 20.18(5)"a"(1)(4) and "a"(2)(7) because it is unable to provide service interruption information about individual distribution circuits when issues associated with the transmission system or substation cause outages. In addition, IPL's current system cannot sectionalize information about underground distribution circuits such that information required by subparagraphs 20.18(5)"a"(2)(2) and (3) on outage duration and restoration time is unavailable. Finally, IPL's system cannot track all the outage cause codes the subsection requires, such as "earthquake" and "clear day," which means IPL cannot comply with subparagraphs 20.18(5)"a"(4)(1), 20.18(5)"a"(4)(2), and 20.18(5)"a"(4)(3).

Rule 199 IAC 1.3 provides that the Board may waive its rules if the Board finds the following:

 The application of the rule would pose an undue hardship on the person seeking the waiver.

- 2. Granting a waiver will not prejudice the substantial legal rights of any person.
- 3. The provisions of the rule subject to the waiver are not specifically mandated by statute or other law.
- 4. Substantially equal protection of public health, safety, and welfare will be afforded by other means.

While the Board is concerned about the continued software problems, there appears to be no better alternative at the present time than a waiver extension. Application of the rule would pose an undue hardship not only on IPL but also, potentially, on IPL's customers because substantial costs would be incurred in manually compiling the information. The information required is for long-term use and granting the waiver will not prejudice the legal rights of any person. Statute or other law does not mandate the provisions of the rule, and the Board has other rules in place, including inspections of utility lines, to protect public health, safety, and welfare while the computer programming is completed.

The Board will, therefore, reluctantly grant the waiver extension until October 1, 2004. However, in the event another waiver extension request is filed, the Board will require IPL to meet with the Board and the Consumer Advocate Division of the Department of Justice to explain in detail the reasons for delay.

IT IS THEREFORE ORDERED:

The request for an extension of temporary waiver filed by Interstate Power and Light Company on June 18, 2004, is granted.

UTILITIES BOARD

/s/ Diane Munns /s/ Mark O. Lambert ATTEST: /s/ Judi K. Cooper /s/ Elliott Smith Executive Secretary

Dated at Des Moines, Iowa, this 30th day of June, 2004.